



ESTABLISHED 1975

January 23, 2023

Department of Environmental Protection  
State of Maine  
17 State House Station  
Augusta, Maine 04333-0017

Re: Rulemaking Topics – Stewardship Program for Packaging Law  
Municipal Reimbursement

Dear Sir or Madam:

Please accept the following comments concerning the Department of Environmental Protection (Department) rulemaking topics for the Stewardship Program for Packaging Law, 38 M.R.S. § 2146.

For decades, Casella has invested in the Northeast's recycling infrastructure, providing single stream collection, processing, and sorting systems, which serve thousands of municipalities and businesses and recover hundreds of thousands of tons per year of recyclable materials. We believe that the best way to improve recycling outcomes in Maine is through continued investments building off existing infrastructure, greater public outreach and education, and the strengthening of markets for recycled commodities.

On the topic of municipal reimbursements, please note the following as offered in our testimony at the January 10 stakeholder session:

- Casella provides service to many Maine municipalities, ranging from full residential curbside collection and processing of solid waste and recycling, to marketing recycled commodities collected at municipally owned transfer stations.
- Casella offers invoicing that includes total costs and tons to our municipal customers. A simple year-end summary format that provides annualized data could be created to support reporting needs of these customers.
- As noted in prior testimony, specific quantitative data beyond total tonnage and total cost is not consistently available today and would require detailed and costly analysis (such as manual material audits) on an ongoing basis.
- Much of the information required to calculate municipal reimbursement already exists, and can be found in publicly available documents, such as annual recycling facility reports, invoices for solid waste and recycling services, and commodity indexes. Given the broad scope of this EPR program, the Department should seek to leverage existing information and simplify reporting requirements as much as possible to enable participation and to minimize costs.

We offer the following additional comments for consideration:

***Preservation of local control and protection of existing infrastructure***

**Promotion of access to recycling:** The Stewardship Organization should not be given authority to dictate the closure or consolidation of facilities through the imposition of efficiency targets. This would run contrary to the important objective of the EPR program to *expand* consumer access to recycling services for packaging.

**Recognition of importance of commodity revenues:** It is essential that the Department understand that commodity revenues are an important driver of municipal and private investments in recycling infrastructure. While the Stewardship Organization or individual Producers may choose to bid on the collected commodities at market rates, neither should be given preferential rights to commodities. This would result in reduced market competition for recycled commodities and would be harmful to municipalities and other customers and recycling providers.

***Solid waste alliances***

**Promotion of consolidated participation:** The EPR law allows for refuse disposal districts or regional associations to be treated as municipalities for purposes of the program. A process should be established for municipalities outside of these organizations to similarly form solid waste alliances that enable them to collaboratively engage with the EPR program. These alliances could be treated the same as refuse disposal districts or regional associations and would be allowed to collaborate in, for example, the delivery of consumer education, completing required reporting, and receiving reimbursements from the Stewardship Fund.

***Municipal reimbursement formula***

**Calculation of reimbursement based on all costs:** Reimbursements should include all costs associated with the collection, transportation, and processing of packaging material. This would include reimbursement of basic infrastructure costs such as depreciation on collection vehicles, ongoing lease payments on equipment, and more. These investments are integral to providing efficient and effective service and should be fully factored into the municipal reimbursement equation.

**Require approval for innovative or novel technologies only:** The rule provisions concerning the proposal and approval process for infrastructure improvements should be clarified to apply specifically to *innovative or novel* technologies and systems that are not already well established in Maine. Municipal and private operator investments in *basic* infrastructure (such as trucks, balers, and proven MRF equipment) should not be encumbered by this approval process, but rather reimbursed on an ongoing and predictable basis through reimbursement payments.

**Include commodity revenues in reimbursement formula:** Reimbursement formulas should include an adjustment reflecting commodity revenues. Casella's municipal customers are invoiced on a basis that reflects commodity revenues based on established, public indices for recycled commodities; it would make sense for municipalities to be reimbursed similarly.

***Should disposal costs be included in municipal reimbursements?***

If the Department determines that disposal tipping fees are reimbursable under the program, the reimbursement rate should apply equally to all forms of disposal. For example, landfilling and incineration are both forms of disposal, and should be recognized on equal footing.

***Should reimbursements reflect differing costs for different recycling outcomes, and if so, how?***

Providers seek the highest and best use for the materials recovered, based on available markets and infrastructure. Rather than building undue complexity to the municipal reimbursement formulas, the program could be structured to leverage infrastructure grants to help support and encourage the development of new recycling businesses and outlets for materials that promote and advance the upper tiers of the state's solid waste hierarchy.

***How can the amount of material in marketed commodities ultimately recycled be determined?***

In our experience, buyers typically audit and can provide data on the percentage of prohibitive material received. This information may be helpful to provide data concerning the ultimate disposition of recyclables.

Thank you for the opportunity to provide comment. Please reach out if we can provide you with additional information, or if you have any questions.

Sincerely,

Bob Cappadona  
Vice President  
Casella Resource Solutions